8/31/83 U3730-2(U) A

A MIDYEAR REVIEW

OF THE

NORTHWESTERN ENDICOTT REPORT - 1983

A REPORT ON THE HIRING TRENDS OF COLLEGE GRADUATES

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Published By The Placement Center - Northwestern University - Evanston, Illinois 60201
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INTRODUCTION

It became evident by the middle of the recruiting year that unforseen changes were occurring in the employment marketplace for college graduates. Companies were cancelling scheduled recruiting trips for the fall because economic recovery anticipated in the early spring - when recruiting dates were made - had not been realized. Nevertheless, the stockmarket, last August, had heralded better times were just around the corner.

When the data for the Northwestern Endicott Report was completed in November, 1982, indications of a deterioration in the employment market were already surfacing. The report projected decreases in college hiring for 1983 would be 10% below 1982. Confirmation of the downturn was evidenced in every placement office for there were very few days when there was full booking of all available interview space, and the schedules of those companies on campus recruiting were generally full with a long wait list of prospective interviewees.

To verify and quantify the recruiting trends of this recruiting season, we contacted the corporations who had participated in the November Endicott Survey, asking that they provide information about their recruiting this current year, 1982 and 1981. From the groups appearing in strength on campus it was apparent that some industries, notably defense and some high technology, were running counter to the general cutbacks in corporate America, while other firms had completely eliminated college recruiting.

The data provided by the participants in this spring survey confirmed what the recruiting professional and placement directors already suspected. What is surprising is the severity of the change in just two years. We have all seen many fine students who left campus this year without employment. This report may bring some comfort to the unemployed, for it was a year of "depression levels" of unemployment in their peer group. The jobs were not there. The paranoia and self-doubt that many students had that comes with interview rejection was not merited on the part of the many who have successfully completed their academic programs. If the economy turns as projected, places for them will gradually become available.

The purpose of this report is to supply information, which will be of interest and value to the employment professional, the college placement officer, faculty and graduates. We are grateful for the cooperation of the survey participants and acknowledge their considerable contribution.

Victor R. Lindquist
Associate Dean
Director

June, 1983

A DESCRIPTION OF COLLEGE RECRUITING 1982-1983

This recruiting year was without precedent! There were dramatic changes in hiring patterns largely dependent upon the industry group. Students were registering early, taking more interviews, and accepting the first solid job offer. Placement offices with full interview calendars found letters of cancellation in every day's mail when their offices were opened for recruiting. No one predicted the course of this past year's activity. The following responses of the corporate recruiters clearly describe the pain or the pleasure of the year.

Oil Services Corporation

"To go through a full year without hiring is strategically unwise; to go through two consecutive years in that mode is insuring long-range problems in the personnel structure. Sometimes, tactical decisions have to override strategic ones. We made a decision that if to hire new people, we had to lay off proven performers, we wouldn't hire."

Steel Group

"Recruiting discontinued because of poor business." "No activity this year." "Frozen." "Extremely low--virtually zero."

Chemical Group

"Our limited needs resulted in the cancellation of all spring schedules."

"Began with limited needs--optimistic for fall'83--ended with a hiring freeze. Business is improving but reluctant to hire again. Turnover that is non-existent is employee initiated."

"Faster than normal. More people for fewer jobs. Students more realistic rather than idealistic about jobs and locations."

Oil Group

"We cancelled all schedules."

"We approached with caution so we wouldn't overextend ourselves and make too many offers."

"Few job opportunities for students--demands for computer science held up better than other disciplines--students responded more rapidly to job offers--companies were forced to monitor offers because of high acceptance ratio and pressure not to exceed quotas."

Paper Group

"Frustrating. Many good applicants and no positions to offer!"

"Obviously few companies on campus but competition for best candidates as intense as ever. Salaries did escalate for the best and did continue to escalate but at a slower rate than in previous years."

Computer Manufacturer

"Our recruiting effort has been impaired by a hiring freeze. We intend to continue to hire in the technical disciplines with more emphasis on master's degrees."

Electronic-Communication Group

"A banner year for those of us who had jobs."

"Employers' market for students except for those with top G.P.A.s, experience or coop work; then competition was tough."

"Very active -- 65% increase over last year."

Defense Contractor

"We were overwhelmed by the volume of student turnout. Unforseen business problems, however, completely altered our hiring plans - we would have skipped recruiting entirely as unsolicited inquiries were the highest volume we have ever experienced."

The corporate recruiters who had jobs to fill found it to be very productive. One college recruiting professional with many years of experience described it as the "best" -- best in quality, best in quantity, best in dealing with the students and best in being able to keep salary increases down to modest levels.

RECRUITING TRENDS

How many companies did you schedule for recruiting during the last three years?

	1981	1982	1983
Campuses Recruited	7743	7086	5629

ANALYSIS

Comparing 1982 to 1981..... Down 8%

Comparing 1983 to 1982..... Down 21%

Comparing 1983 to 1981..... Down 27%

What was your offer-acceptance ratio for 1983?

Reported Average.....49%

How did your offer-acceptance ratio compare to other years?

Higher....66% Lower....6% Normal....28%

How many graduates did you hire the past three years?

	1981*	1982	1983
Technical	10,443(100%)	9,085(87%)	5,535(53%)
Non-Technical	7,711(100%)	6,743(87%)	5,157(67%)
TOTAL	18,154(100%)	15,828(87%)	10,692(59%)

*(Base Period=100%)

ANALYSIS

Between 1981 and 1983

Technical Recruiting Decreased 47%

Non-Technical Recruiting Decreased 33%

Total College Recruiting Decreased 41%

Between 1982 and 1983

Technical Recruiting Decreased 39%

Non-Technical Recruiting Decreased 24%

Total College Recruiting Decreased 32%

CORPORATE ACTIVITY

	% of Firms Reporting Decrease	Average Decrease	% of Firms Reporting Increase
1982 Compared to 1981	56%	43%	32%
1983 Compared to 1982	58%	62%	31%
1983 Compared to 1981	69%	66%	25%

Is business for your company better in 1983 than 1982?

Yes...27% No...29% Same...44%

What is the corporate outlook for 1984?

Better...75% Worse...1% Same...24%

What is your best "guesstimate" of hiring for your company from the class of 1984 compared to 1983?

College Hires to Increase...21%

Firms Expecting Increases...61%

Firms Expecting Decreases...21%

Firms Expecting No Change...18%

HIRING TRENDS BY FIELD OF DISCIPLINE

A COMPARISON OF HIRING GOALS PROJECTED BY 167 COMPANIES IN NOVEMBER 1982 OF INEXPERIENCED COLLEGE GRADUATES FROM THE CLASS OF 1983 WITH THE NUMBERS ACTUALLY HIRED

	NUMBER OF FIRMS	NOVEMBER PROJECTION FOR 1983	ACTUAL HIRES 1983	PERCENT CHANGE	FIRMS REPORTING DECREASE	FIRMS REPORTING INCREASE	NOVEMBER ESTIMATE '82 to '83	NET* CHANGE '82-'83
BACHELOR'S								
Engineering	115	5955	4958	-17%	54%	26%	-18%	-35%
Accounting	85	6096	5137	-16%	47%	22%	- 4%	-20%
Sales-Marketing	64	1381	1551	+12%	34%	36%	0 NC	+12%
Business Admin.	56	1897	1522	-20%	48%	27%	- 8%	-28%
Liberal Arts	26	332	296	-11%	42%	23%	-22%	-33%
Computer	78	2361	2036	-14%	37%	31%	+ 3%	-11%
Chemistry	31	187	133	-29%	52%	13%	-17%	-46%
Math or Statistics	30	256	229	-11%	47%	17%	-16%	-27%
Economics or Fin	29	196	165	-16%	55%	24%	-20%	-36%
Other Fields	40	668	560	-16%	43%	30%	-37%	-53%
TOTALS**		20,909	18,363	-12%	56%	30%	-11%	
MASTER'S								
Engineering	43	764	758	- 1%	35%	28%	+ 6%	+ 5%
Other Technical	28	681	585	-14%	46%	21%	- 5%	-19%
MBA with Technical BS	38	405	408	+ 1%	37%	34%	+ 4%	+ 5%
MBA with Non-Technical BA	56	994	743	-25%	43%	23%	- 5%	-30%
Accounting	17	407	355	-13%	59%	24%	+ 5%	- 8%
Other Non-Technical Fields	19	115	81	-30%	42%	32%	-38%	-68%
TOTALS**		1,882	1,676	-11%	41%	29%	- 2%	

Engineering:	Bachelor's	Down for 1983....35%	Master's Up for 1983..... 5% *
Non-Engineering:	Bachelor's	Down for 1983....17%	Master's Down for 1983....22%
TOTALS:	Bachelor's	Down for 1983....23%	Master's Down for 1983....13%

*An absolute comparison cannot be made between the data obtained from this survey in the spring of 1983 and the figures released in The Northwestern Endicott Report November 1982 because the sample sizes (N=167 versus N=225) are different. However, a reasonable hypothesis about the net change in the demand in certain career fields between 1982 and 1983 can be made by adding the reported percentage changes together giving the figures listed under net change '82 to '83 and in the summations at the bottom of the page. Weighting the data for sample size through more complicated calculations would indicate in some cases a small deviation from those given.

**Columns will not add up to totals because some firms only provided total figures without a breakout into disciplines.

PROFESSIONAL COUNSEL FOR THE UNEMPLOYED GRADUATE

Many excellent students from the class of 1983 graduated without a job offer. What advice would you give if one of these unemployed were your son or daughter?

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Everyone who has a position will be able to offer counsel to the person who is looking for a position. However, the opportunity to obtain the advice of a group of professional recruiters who hire thousands of people every year is unique. What words of wisdom are 167 business people telling our graduates who are facing a dismal hiring economy in 1983?

"Lower your expectations temporarily until the economy improves."
"Just try to get into a company with the expectation to work your way up."
"Doing something for pay, even if it's a part-time job, is better than doing nothing and will keep up your contacts."

The above quotes summarize the counsel of 33% of the business people along with:

"Be flexible, find work, even part-time, that's related to a career or part of an industry you prefer. Don't be too proud to take less than you originally wanted, then dig in and make the most of it. Most companies promote from within."

This response came up 50 times:

"Be persistent with your contacts, whether they consist of personal friends, alumni groups, professional organizations, placement centers, or companies with whom you have interviewed. Follow up."
"Keep contacting firms, every 60 to 90 days, that interviewed you but didn't extend you an offer. Things are changing and more positions will develop. Also, companies may experience more offer rejections than planned."

Twenty percent of the respondents urged graduates to consider graduate school full- or part-time, or take specialized courses that will provide exposure to their area of interest. This recommendation was tempered by advice to take job-related courses in computer, business or a technical area to increase their marketability.

"Do not go to graduate school or remain in college unless your course work will enhance your qualifications in the job market."

Finally, the old adage, "keep trying" was exhorted by 45 people. Not given to empty platitudes, personnel people urged the recent graduates to set realistic goals, target employers looking for growth industries, pound the pavement, mail resumes, refine their interviewing skills and be aggressive.

"Contact <u>all</u> companies in a sought geographic area, not just 'known' ones."
"Treat your job search as a full-time job with organized daily efforts."

Resourcefulness in the job search is a key factor in developing job opportunites. This requires creative research about organizations and intitiative in making contacts with people who have the power to recommend or make a decision about employment. To make use of the contacts will require preparation by the applicant for the interview. Most graduates fail in the interview because of poor preparation. They do not relate their training or experience to the job. Passivity is too often an assumed interview role when an attitude of "selling yourself" to the needs of the employer would produce better results.

DOCTORAL SALARIES - 1983

The salaries listed in this chart are averages of data compiled from offers extended and accepted and offers of employment extended but not yet accepted.

DISCIPLINE-FIELD	AVERAGE STARTING SALARY
AERONAUTICAL ENGINEERING	$39,000
BIOLOGY	33,700
CHEMISTY	34,700
CHEMICAL ENGINEERING	38,500
CIVIL ENGINEERING	32,204
COMPUTER SCIENCE	38,255
ELECTRICAL ENGINEERING	39,036
ENGINEERING SCIENCE	31,000
GEOLOGY	35,900
GEOPHYSICS	37,352
LAW	30,200
MATERIALS/METALLURGY	36,490
MATHEMATICS	33,150
MECHANICAL ENGINEERING	38,200
MEDICAL	70,000
NUCLEAR ENGINEERING	37,860
OCEANOGRAPHY	29,000
OCEAN ENGINEERING	38,500
OPERATIONS/SYSTEMS	36,320
PHARMACOLOGY	35,000
PSYCHOLOGY	31,000
PHYSICS	34,900
STATISTICS	30,000